

## Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

DODE-00 PA-04 USIA-15 PRS-01 ABF-01 DRC-01 /175 W

----- 128126

R 301826Z NOV 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 5982

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS LONDON 14048

DEPARTMENT ALSO PASS FRB AND TREASURY FOR F. L. WIDMAN

E.O. 11652:N/A

TAGS: ECON, UK

SUBJECT: ECONOMIC DEVELOPMENTS - WEEK ENDING NOVEMBER 30

BEGIN SUMMARY: COMPARED TO RECENT WEEKS, THIS WEEK HAS BEEN RELATIVELY CALM ON THE ECONOMIC/FINANCIAL FRONT. THE POUND MOVED STEADILY DOWNWARD AGAINST THE DOLLAR THIS WEEK, REACHING \$2.3360 ON WEDNESDAY (NOV. 28). ON

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THURSDAY, IT ROSE SLIGHTLY, CLOSING AT \$2.34, DOWN 415

POINTS ON LAST THURSDAY'S CLOSE. STERLING'S TRADE-WEIGHTED DEVALUATION AGAINST SMITHSONIAN PARITIES WIDENED OVER THE WEEK TO 18.30 PERCENT. GOLD, WHICH HAD BEEN TRADING IN THE \$90 RANGE, ROSE TO \$101 ON WEDNESDAY (NOV. 28). CONSUMER CONFIDENCE REMAINED AT A LOW LEVEL IN NOVEMBER. END SUMMARY

1. THE POUND HAS NOW REACHED LEVELS OF A YEAR AGO, VIS-A-VIS THE DOLLAR. IT FELL TO A LOW OF \$2.3360 ON WEDNESDAY BUT DID STRENGTHEN A BIT ON THURSDAY TO \$2.3400. THE FOREIGN EXCHANGE MARKETS ARE DESCRIBED AS CONFUSED. AGAINST OTHER CURRENCIES THE POUND REACHED A TRADE WEIGHTED DEVALUATION OF 18.37 PERCENT (ON NOV. 28) WHICH IS STILL WELL BELOW THE 19 - 20 PERCENT LEVELS OF A MONTH AGO. THE TRADE-WEIGHTED DEVALUATION WAS 18.30 PERCENT ON THURSDAY (NOV. 29) COMPARED TO 16.95 PERCENT A WEEK AGO. THE GOLD PRICE ROSE BY \$8.50 ON WEDNESDAY (NOV. 28) TO CLOSE AT \$101, THE HIGHEST PRICE SINCE OCTOBER 23. ON THURSDAY IT ROSE 50 CENTS TO CLOSE AT \$101.50 COMPARED TO \$90 A WEEK AGO.

2. CONSUMER CONFIDENCE IN NOVEMBER, AS MEASURED BY THE BRITISH MARKET RESEARCH BUREAU, REMAINED UNCHANGED FROM OCTOBER'S LEVEL. THERE WAS, HOWEVER, A DROP IN THE NUMBER OF PEOPLE WHO FELT THAT THE PRESENT TIME WAS A GOOD ONE FOR THE PURCHASE OF CONSUMER DURABLES.

3. THE FORWARD DISCOUNTS ON STERLING NARROWED UNTIL WEDNESDAY (NOV. 28), BUT WIDENED ON THURSDAY (NOV 29).

	11-22	11-29	CHANGE
1 MONTH	1.02-1/2	0.95-1/2	DOWN 0.07
3 MONTHS	3.40-1/2	3.27-1/2	DOWN 0.13
6 MONTHS	6.82-1/2	6.70-1/2	DOWN 0.12

(ALL FIGURES IN CENTS)

4. LOCAL AUTHORITY DEPOSIT RATES REMAINED BASICALLY UNCHANGED OVER THE WEEK.

	11-22	11-29	CHANGE
1 MONTH	13-3/4	14-1/16	UP 5/16
3 MONTHS	14-13/16	L5	UP 3/16

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6 MONTHS	14-13/16	L4-7/8	UP 1/16
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5. EURO-DOLLAR RATES MOVED UP DURING THE WEEK BUT FELL BACK SLIGHTLY ON THURSDAY (NOV. 29).

	11-22	11-29	CHANGE
1 MONTH	9-15/16	10-5/8	UP 11/16
3 MONTHS	10-1/16	10-1/2	UP 7/16
6 MONTHS	9-13/16	9-7/8	UP 1/16

6. THE MINIMUM LENDING RATE REMAINED AT 13 PERCENT ON  
FRIDAY, NOVEMBER 30.

ANNENBERG

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN EXCHANGE RATES, POUND (CURRENCY)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EUR  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** hilburpw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09-Aug-2001 by maustmc>; APPROVED <16-Aug-2001 by hilburpw>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECONOMIC DEVELOPMENTS - WEEK ENDING NOVEMBER 30 BEGIN SUMMARY: COMPARED TO RECENT WEEKS, THIS WEEK HAS  
**TAGS:** ECON, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005